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Promoting a Robust U.S.-Ukraine Agenda **Securing the Orange Revolution in Ukraine**

Introduction

On April 4, newly elected Ukrainian President Viktor Yushchenko will meet with President Bush at the White House. This will be President Yushchenko's first official visit to the U.S. since his historic victory over Russian-backed presidential candidate Viktor Yanukovich.

Ukraine's Orange Revolution, which late last year brought millions to the streets in protest against falsified elections, was a striking example of the power of freedom — a theme President Bush placed at the heart of his second Inaugural Address and his recent State of the Union speech. The courageous and peaceful character of the democratic revolution showed the face of a new European nation that deserves America's immediate support.

The Bush Administration has offered considerable political and financial assistance for long-overdue and lasting reforms in Ukraine. As Vice President Cheney said on January 26, the United States and the free world will stand with President Yushchenko as he "works to consolidate Ukraine's democratic gains and adds to the prosperity and justice of his country."¹ He said America looks forward to working with President Yushchenko to "strengthen a democratic Ukraine to enhance security, preserve peace, and build a better world."

In March 2006, Ukraine will hold parliamentary elections. It is likely to be a referendum on Yushchenko's record on delivering the democratic and economic promises he made during the campaign. The Ukrainian people's voices were heard around the world demanding real representative government. A failure by the new Ukrainian government to truly represent the will of the people would discredit the country's democrats and possibly allow autocrats and oligarchs the opportunity to rule Ukraine again. Just as the victory of democracy in Ukraine inspired those in other countries seeking to remove oppressive governments, so would a failure of the Orange Revolution be used by despotic leaders to undermine the democratization of their countries.

The future of Ukraine is important for Western security, political, and economic interests. Recognizing the high stakes, the United States must take the necessary steps now to ensure that Ukraine's recent gains are not short-lived. What is needed is a robust and achievable set of

¹ Remarks by Vice President Dick Cheney and Ukrainian President Viktor Yushchenko in Poland on January 26, 2005.

short-term actions to bind Ukraine to the transatlantic community and make its transition to a fully functioning democracy irreversible. This paper will offer some recommendations on how to achieve this.

Why Ukraine Matters

Ukraine, the second largest European country and boasting a population of nearly 50 million people, is wedged between the eastern-most border of NATO and the Black Sea region where the transatlantic alliance is increasingly looking to expand democratic, economic, and military stability. Historically and geographically close to Russia, Ukraine is now faced with challenge of serving as a successful showcase of “democracy in action” despite its big neighbor’s problems in consolidating free-market democracy. The success or failure of Ukraine’s “democratic experiment” during the next two or three years will resonate politically in the region for decades to come.

Ukraine also serves as Europe’s energy “solar plexus.” Major pipelines traverse Ukraine from Russia destined for Europe. Construction is currently underway to build pipelines that will pump oil from the Caspian Sea through Ukraine to European markets. The security of these shipments is an important concern of U.S. industry and policymakers.

Although it has forsworn nuclear arms, Ukraine has one of the largest and best armed militaries in Europe. Ukraine inherited the third largest nuclear arsenal in the world when the Soviet Union dissolved. Today it is free of atomic weapons and work continues to eliminate delivery systems and production capabilities under the Nunn-Lugar program. In recent years, however, Ukrainian defense firms have been accused of selling sensitive technologies to rogue regimes.² Ensuring that arms and technology proliferation cease has been a priority for the Bush Administration. Ukraine also has become a major transit point for illegal trafficking of humans, drugs, and weapons.³ A strong and stable democratic Ukraine is the best defense against these threats.

Past U.S. Support

Since Ukraine gained its independence in 1991 following the breakup of the Soviet Union, the United States has provided significant development and military assistance. From 1992-2004, total U.S. aid to Ukraine was \$3.257 billion. Of this, roughly \$1.391 billion (43 percent) was security related. The remainder focused on democratization, economic and social reform programs, and humanitarian relief.

Despite a strong U.S. commitment, the U.S.-Ukrainian relationship failed to meet expectations. During the 1990s, the government of President Leonid Kuchma was mired in massive corruption and increasingly prone to repression of its critics.⁴ Over the last several years, the Ukrainian government was led by an alliance of communists and oligarchs more focused on advancing personal agendas and moving closer to Moscow than to advancing meaningful reform. Some U.S. policymakers grew skeptical of whether a democratic Ukraine was possible in the

² *New York Times*, “U.S. Report Says Hussein Bought Arms with Ease,” October 8, 2004.

³ U.S. Department of State, “Country Reports on Human Rights Practices, 2004: Ukraine,” February 28, 2005.

⁴ Transparency International, “Global Corruption Report 2004,” March 25, 2004.

near term, and this led to a decline in U.S. foreign assistance. But despite the corruption of the Kuchma regime and the failure of efforts to thus far create an open, market economy in Ukraine, it is also true that what investment there was in democracy programs and the development of civil society helped create the conditions for the revolution that brought Yushenko to power.

The Agenda Forward

President Bush has repeatedly and firmly expressed his strong support for the changes underway in Ukraine. Members of Congress, too, have expressed considerable support for Yushenko. Senator Richard Lugar (R-IN) recently stated that “extraordinary events have occurred in Ukraine ... it is in our interests to recognize and protect these advances.”⁵

According to CRS, the FY2005 foreign aid bill (P.L. 108-447) provides \$70 million for Ukraine in political and economic reform assistance and \$3 million in Foreign Military Financing.⁶ In response to democratic advances in the Orange Revolution, the FY05 emergency supplemental includes a request for \$60 million in emergency monies to assist the new Yushenko government in democracy development and rule of law programs. However, on March 16, the House of Representatives cut the President’s request back to \$33.7 million. Such a cut in funding for democracy, anti-corruption, and rule of law initiatives will greatly hamper the United States’ ability to assist the new Ukrainian government in addressing corruption and advancing democratic principles. *The Senate should strongly consider restoring the President’s request.*

There are at least four critical steps Congress and the Administration should consider immediately taking to buttress the important and historic gains in Ukraine.

Graduation from Jackson Vanik and support for Ukraine’s accession to the WTO. A symbolic, but significant, gesture would be for the Bush Administration and Congress to issue statements during President Yushenko’s visit supporting the eventual removal of Ukraine from Jackson Vanik restrictions. Such statements do not tie the hands of the Administration or Congress and still place the onus on meeting the terms of Jackson-Vanik squarely in Ukraine’s hands.

Jackson-Vanik legislation was adopted at the height of the Cold War as a tool to pressure Communist nations to allow their people to freely emigrate and adopt democratic institutions by denying “normal trade relations” treatment for imports from Soviet bloc countries. This is no longer applicable to Ukraine. Repeal of these Cold War-era restrictions would welcome it back into the community of nations. Numerous bills have been introduced to grant normal trade relations to Ukraine.⁷

It is important not to link Russia’s graduation from Jackson-Vanik with Ukraine’s. These are two separate countries each making two separate cases. While it may be legislatively logical

⁵ Senator Richard Lugar (R-IN), Press Release, “Levin, Lugar Introduce Bill to Grant Normal Trade Relations to Ukraine,” January 24, 2005.

⁶ Congressional Research Service, “Ukraine’s Political Crisis and U.S. Policy Issues,” February 1, 2005.

⁷ Senator John McCain (R-AZ) introduced S. 410 on February 16, 2005; Representative Henry Hyde (R-IL) introduced H.R. 885 on February 17, 2005; and Senator Lugar introduced S. 632 on March 16, 2005.

to couple the removal of Ukraine and Russia from the list, in fact, such a process will impair, if not completely thwart, Ukraine's chances for graduation from Jackson-Vanik in the near term.

Inclusion in the Millennium Challenge Account. Last year, when 16 nations were identified as eligible for the Bush Administration's Millennium Challenge Account (MCA) development assistance program, Ukraine was not part of the group.⁸ To date, Ukraine has not yet qualified for Threshold Program assistance — a program open to countries that came close to, but did not qualify for, MCA eligibility and have demonstrated a commitment to meeting MCA's selection criteria. Ukraine continues to be passed over because of the country's inability to control corruption.⁹

While Yuschenko has only been in office for a few months, a strong sign of faith in his reform agenda would be to have Ukraine added to the list of eligible Threshold Program countries, if not full MCA countries. The Administration has already stated that it will work vigorously with the Yuschenko government to help it implement anti-corruption measures. Congress should encourage the MCC to include Ukraine in MCA in the next eligibility round that will be announced later this year.

Recognition as a Candidate for NATO Membership. While there may be little appetite in Congress or the Administration for enlarging NATO in the near future, U.S. policymakers would hearten the Ukrainian people (and those in the Balkans and the Caucasus) by publicly stating in speeches and congressional resolutions that NATO membership is a realistic option. On February 22, in a press conference at NATO headquarters, President Bush said the "door is open" for Ukraine to join NATO, "but it's up to President Yushchenko and his government and the people of the Ukraine to adopt the institutions of a democratic state." By repeating such statements, U.S. policymakers will provide the same impetus to progress that swept through Central and Eastern Europe during the 1990s and resulted in nearly every one of those countries becoming members of NATO, the European Union, or both. Ukraine must have a legitimate and stable venue to meet its security concerns. Membership in NATO provides such a platform.

Development of a Joint Plan to Stem Illegal Trafficking. Cracking down on and halting illegal trafficking of humans, narcotics, and weapons is a necessary step if Ukraine is to reform its economy and its political institutions. This is also important to Ukraine's neighbors, specifically Moldova, which do not have the resources to tackle the illegal trafficking that permeates their borders and that retards the development of their society. The U.S. and Ukraine, along with European partners, should jointly develop a plan to shut down all illegal trafficking through and within Ukraine. The plan should include aggressive border monitoring and the development of new law enforcement measures to prevent this activity and punish strictly those found guilty of trafficking.

⁸ Millennium Challenge Corporation, Press Release, "Millennium Challenge Corporation Names MCA Eligible Countries," May 6, 2004.

⁹ Millennium Challenge Corporation, "FY05 Country Indicator Rankings: Ukraine," <http://www.mcc.gov/countries/rankings/FY05/index.shtml>.

Conclusion

On April 6, in one of the most potent symbols of American support for a foreign democracy, Congress will jointly convene and be addressed by President Yushenko. This will be a first for a Ukrainian leader. As Senators and Representatives gather to listen to President Yushenko, one of the most immediate foreign policy goals that Congress should set for itself in the coming year is securing the Orange Revolution's victory in Ukraine.

Ukraine has great potential and weighty political and security responsibilities. It is in the U.S. interest to work closely with the new democratic and Western-oriented Ukrainian government on critical issues ranging from fighting the War on Terror (Ukraine has had troops on the ground in both Iraq and Afghanistan) to fostering democracy in Belarus, Moldova, Russia and the broader Middle East.

The importance of Ukraine's democratic revolution cannot be overstated. Should Ukraine's democratic process fail, the economic, political, and security consequences for the U.S., Europe and democratic reformers everywhere could be severe. But if Ukraine remains on the democratic path and on a westward trajectory, the benefits will spread far and wide throughout the region and throughout the entire transatlantic community.